



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 1/20/2005

GAIN Report Number: VE5001

Venezuela

Agricultural Situation

Import Licenses Update

2005

Approved by:

Bonnie Borris
U.S.Embassy Venezuela

Prepared by:

Mora Paiva

Report Highlights:

Up until 2004, there had been no published data regarding awarded import licenses since December of 2001. In 2004, information for import licenses was published through the Ministry of Agriculture and Land's web page. In general, most quantities are below Venezuela's tariff rate quota commitments.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Caracas [VE1]
[VE]

Executive Summary

Under its World Trade Organization commitments, Venezuela is entitled to administer tariff rate quotas (TRQ) for up to 62 HS code headings. The TRQs that are open are for yellow corn, sorghum, sugar cane, oilseeds, and dairy products (powdered milk, non-fat milk and cheese). Venezuela administers its tariff rate quota commitments through an import-licensing regime. Access to licensing information is essential to keep a minimum of transparency for tariff rate quota commitments. Up until 2004, there had been no published data regarding awarded import licenses since December of 2001. In 2004, information for import licenses was published through the Ministry of Agriculture and Land's web page. The information posted in the web site was only available between September and mid October. This information had not been previously released to the public, yet importers and traders had estimates of import licenses issued.

Based on the data of import licenses issued for 2004, most quantities are below Venezuela's TRQ commitments. Though it is not possible to establish a comparison between previous years because the latest information available dates from 2001, the GOV has stated it will reduce imports of feed.

Background

Until December 2001, the Ministry for Production and Commerce (MPC) was responsible for granting import licenses and maintaining a record of licenses issued on a public web site as required by Venezuelan regulations. The responsibility for agricultural product license issuance was transferred to the Ministry of Agriculture and Lands (MAT) by the end of 2001, and since that time no information on license issuance has been made available to the public.

And The Awarded Licenses Are...

Import licenses for 2004 were awarded for yellow corn, soybean meal, yellow grease, soybeans, sugar cane, cheese, low-fat milk and powdered milk. In general, the total quantities awarded through the licensing regime were under the tariff rate quota (TRQ) commitments (see table).

**Import Licenses Awarded by Commodity
January-September 2004
(Metric Tons)**

Commodity	TRQ Level	Licenses Issued
Yellow Corn	583,459	391,900
Soybean Meal	696,880	193,988
Yellow Grease	84,326	82,316
Soybeans	168,963	49,680
Sugar Cane	132,013	249,738
Cheese	3,686	2,546
Powdered Milk	76,067	56,184
Low-Fat Milk	145	2,492

Source: Ministry of Agriculture and Land's web page: <http://www.mat.gov.ve>

While the government keeps a tight control over the import license regime, in some particular cases it is more flexible. For instance, issued licenses for sugar cane exceeded the TRQ level. The reason behind this is that during November 2003 there were spot sugar shortages at the retail level, mainly due to a delay in the issuance of import licenses. The GOV will be careful to not repeat spot shortages.

For basic commodities such as yellow corn, yellow grease and soybean meal, a foreseen restriction on import licenses is subject to the Ministry of Agriculture and Land's "2004 Agricultural Plan" where it clearly defined its intention to reduce imports of feed. The "2004 Agricultural Plan" was also posted on MAT's web page. This plan calls for increase of yellow corn plantings from 70,000 hectares in 2003 to 290,000 hectares in 2004.

Comments

While it is good to finally have access to information regarding licenses issued, it is not possible to establish a comparison between previous years because the latest information available dates from 2001. Also, the announced policy of decreasing imports of feed (yellow corn, yellow grease, soybean meal and soybeans) significantly compromises US exports to Venezuela. Given these discretionary factors, access to the Venezuelan market must be worked through demonstrating the better quality and homogeneity of US products, at the same time providing importers and end-users with education concerning proper handling and storage of animal feed ingredients.